

Message Text

LIMITED OFFICIAL USE

PAGE 01 GENEVA 02970 01 OF 02 241721Z
ACTION EB-08

INFO OCT-01 EA-10 IO-13 ISO-00 CIAE-00 DODE-00 NSAE-00
NSCE-00 SSO-00 USIE-00 INRE-00 AGRE-00 CEA-01
COME-00 FRB-03 H-01 INR-10 INT-05 L-03 LAB-04
PA-01 CTME-00 AID-05 SS-15 STR-07 ITC-01 TRSE-00
SP-02 SOE-02 OMB-01 DOE-11 STRE-00 DOEE-00 /104 W
-----021020 241725Z /41

O 241704Z FEB 78
FM USMISSION GENEVA
TO SECSTATE WASHDC IMMEDIATE 6420
INFO AMEMBASSY TOKYO

LIMITED OFFICIAL USE SECTION 01 OF 02 GENEVA 02970

USMTN

PASS STR ELECTRONICALLY FOR KELLY
PASS COMMERCE FOR MONTGOMERY
E.O. 11652: N/A
TAGS: ETRD, MTN, JA
SUBJECT: U.S. REQUESTS TO JAPAN FOR DEEPER-THAN-FORMULA
CUTS (NON-AGRICULTURAL ITEMS)

REF: GENEVA 2926

1. OUTLINED BELOW IS MTN DEL PROPOSAL FOR ACCELERATED
PREPARATION OF A U.S. REQUEST LIST FOR DEEPER-THAN-
FORMULA TARIFF CUTS BY JAPAN ON NON-AGRICULTURAL ITEMS.
PROPOSAL HAS BEEN DISCUSSED WITH ANN HUGHES AND JERRY
FORREST WHO CONCUR.

2. THE SETTING. AS REPORTED REFTEL, WE HAVE IN ESSENCE
REJECTED JAPAN'S OFFERS. WE HAVE ADEQUATE MATERIAL ON
HAND TO ENGAGE IN BILATERALS WITH JAPAN STARTING NEXT
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 GENEVA 02970 01 OF 02 241721Z

WEEK CONCERNING AGRICULTURE AND NTM'S, BUT WE URGENTLY
NEED A SPECIFIC U.S. REQUEST LIST FOR NON-AGRICULTURAL
TARIFF CONCESSIONS WE WANT JAPAN TO CONSIDER. CHANCES
ARE GOJ WILL JUST WAIT FOR U.S. TO COME UP WITH SUCH A
LIST, BUT EVEN IF THIS GUESS IS WRONG, WE THINK IT WOULD
BE A MISTAKE TO GIVE JAPAN SUFFICIENT TIME TO VOLUNTEER
SOME ADDITIONAL IMPROVEMENTS (PRESUMABLY MINOR). WE

SHOULD, INSTEAD, PROMPTLY SEIZE THE INITIATIVE TO TELL JAPAN WHAT WE WANT SO THAT PRODUCT-SPECIFIC NEGOTIATIONS TAKE PLACE IN RELATION TO OUR REQUESTS RATHER THAN IN RELATION TO SOME INITIAL JAPANESE OFFERS.

3. PROBLEM IN DEVELOPING A U.S. REQUEST LIST QUICKLY IS NEED TO CONSULT WITH ISAC'S. WHILE THE CURRENT ROUND OF ISAC MEETINGS SHOULD PROVIDE SOME OF THE INFORMATION REQUIRED, WE BELIEVE PRESENT SCHEDULE OF SUCH MEETINGS STRETCHING BEYOND MID-MARCH IS TOO SLOW FOR OUR PRIORITY NEED IN RELATION TO JAPAN. JAPAN (AND CANADA) ARE ALMOST UNIQUE AMONG MTN PARTICIPANTS IN THAT WE HAVE EXPLICIT COMMITMENTS FROM BOTH TO CONSIDER DEEPER-THAN-FORMULA CUTS. CANADIAN PRODUCT-SPECIFIC NEGOTIATIONS ARE STILL WEEKS OFF BECAUSE CANADIAN OFFER RECEIVED ONLY A FEW DAYS AGO WHILE WE HAVE HAD JAPAN'S OFFER FOR OVER A MONTH. JAPAN IS ALSO UNIQUE IN TERMS OF LEVERAGE OFFERED TO US THANKS TO STRAUSS/USHIBA JANUARY 13 COMMUNIQUE. FOR ALL THESE REASONS, DEVELOPMENT OF A SPECIFIC U.S. REQUEST LIST TO JAPAN FOR NON-AG TARIFF CONCESSIONS SHOULD HAVE THE HIGHEST WASHINGTON PRIORITY VIS-A-VIS THE ISAC'S.

4. WE ACCORDINGLY PROPOSE TO PREPARE IN GENEVA WITHIN NEXT SEVEN DAYS A TABLE (ORGANIZED BY ISAC PRODUCT COVERAGE) SHOWING JAPAN'S BASE RATE, APPLIED RATE, PRESENT JAPANESE OFFER RATE, TOTAL JAPANESE IMPORTS, IMPORTS FROM U.S., U.S. MARKET SHARE, AND A FINAL LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 GENEVA 02970 01 OF 02 241721Z

COLUMN WITH A PRELIMINARY RECOMMENDED U.S. REQUEST RATE. LATTER WILL INVOLVE A SUBJECTIVE JUDGMENT BASED ON ITEMS OF STATISTICALLY-SIGNIFICANT TRADE INTEREST IN 1976 PLUS LIMITED MTN DEL KNOWLEDGE OF ISAC RATE-SPECIFIC INTERESTS IN JAPANESE MARKET. WE WILL ENDEAVOR TO PATTERN OUR SUGGESTED REQUEST RATES SO THAT FINAL RESULT (IF JAPAN WERE TO ACCEPT) WOULD BE A BOUND JAPANESE TARIFF OF APPROXIMATELY 4 PERCENT.

5. WE RECOMMEND WASHINGTON CONTACT CHAIRMEN AND SUB-CHAIRMEN OF APPROPRIATE ISAC'S TO ACQUAINT THEM WITH THE PROBLEM WE FACE AS DESCRIBED ABOVE AND PROPOSE THAT AS MANY OF THEM AS POSSIBLE ATTEND A SPECIAL MEETING IN WASHINGTON ON MONDAY, MARCH 6, WHERE THEY WOULD RECEIVE MATERIAL CITED PARA 4 ABOVE. (FOR THOSE WHO CANNOT ATTEND THE MATERIAL MIGHT BE COMMUNICATED TO KEY MEMBERS BY PHONE.) WE RECOMMEND ISAC CHAIRMEN OR SUB-CHAIRMEN BE ASKED TO CONSULT MEMBERS OF THEIR ISAC AS MATTER OF URGENCY CONCERNING PROPOSED SPECIFIC REQUESTS TO BE ADDRESSED TO JAPAN AND TO COMMUNICATE THEIR REACTIONS TO COMMERCE NO LATER THAN THURSDAY, MARCH 9. THEY SHOULD OF COURSE BE ADVISED TO RESTRAIN TEMPTATION TO JUST ASK

FOR DUTY-FREE ON EVERYTHING OF INTEREST BECAUSE TO EXTENT
WE PRESS FOR DUTY FREE ON ONE ITEM, WE WILL HAVE TO
ACQUIESCE IN HIGHER RATE ON OTHER ITEMS EITHER OF
INTEREST TO THE SAME OR ANOTHER ISAC. THEY SHOULD BE
ASKED IN ESSENCE, CAN YOU LIVE WITH THIS DRAFT PROPOSAL,
HAVE WE MADE AN ERROR OR MISSED SOMETHING IMPORTANT,
ARE THERE PROPOSED CUTS YOU DO NOT CARE ABOUT AND WANT
A DEEPER CUT OR ANOTHER PRODUCT?

6. WE REALIZE THE DIFFICULTIES CONNECTED WITH THIS
PROPOSAL, BUT WE THINK AN EXERCISE OF THIS KIND COULD PAY
DIVIDENDS NOT ONLY IN OUR APPROACH TO JAPAN BUT ALSO IN
DEMONSTRATING EXECUTIVE BRANCH WILLINGNESS TO INVOLVE
AND CONSULT ISAC'S AT CRUCIAL MOMENTS IN THE NEGOTIATING
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 GENEVA 02970 01 OF 02 241721Z

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 GENEVA 02970 02 OF 02 241721Z
ACTION EB-08

INFO OCT-01 EA-10 IO-13 ISO-00 CIAE-00 DODE-00 NSAE-00
NSCE-00 SSO-00 USIE-00 INRE-00 AGRE-00 CEA-01
COME-00 FRB-03 H-01 INR-10 INT-05 L-03 LAB-04
PA-01 CTME-00 AID-05 SS-15 STR-07 ITC-01 TRSE-00
SP-02 SOE-02 OMB-01 DOE-11 STRE-00 DOEE-00 /104 W
-----021050 241725Z /41

O 241704Z FEB 78
FM USMISSION GENEVA
TO SECSTATE WASHDC IMMEDIATE 6421
INFO AMEMBASSY TOKYO

LIMITED OFFICIAL USE SECTION 02 OF 02 GENEVA 02970

PROCESS.

7. OBJECTIVE SHOULD BE TO SECURE TPSC APPROVAL OF A
U.S. REQUEST LIST REFLECTING ISAC IN-PUT NO LATER THAN
MONDAY, MARCH 13, SO THAT THE LIST CAN BE PRESENTED TO

JAPANESE IN GENEVA BY WEDNESDAY, MARCH 15. IF THERE IS
A WAY TO DO IT MORE RAPIDLY, SO MUCH THE BETTER. A DELAY
IN FORMULATING OUR REQUEST UNTIL SOMETIME IN APRIL RUNS
RISK OF DELAYING SPECIFIC NEGOTIATIONS WITH JAPAN UNTIL
A TIME-FRAME WHEN WE WILL WANT TO BE CONCENTRATING ON EC
AND CANADA WITH POSSIBLE RISKS TO MTN TIMETABLE AS A
WHOLE. CULBERT

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGRICULTURAL PRODUCTION, ECONOMIC PROGRAMS
Control Number: n/a
Copy: SINGLE
Draft Date: 24 feb 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978GENEVA02970
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780086-0527
Format: TEL
From: GENEVA USMTN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780218/aaaaaoqv.tel
Line Count: 177
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 31d538d0-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 GENEVA 2926
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3491009
Secure: OPEN
Status: NATIVE
Subject: U.S. REQUESTS TO JAPAN FOR DEEPER-THAN-FORMULA CUTS (NON-AGRICULTURAL ITEMS)
TAGS: ETRD, JA, US, MTN
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/31d538d0-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014